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August 18, 1994

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AUG 18 1994

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

Mr. William Caton  
Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D.C. 20554

Re: Ex Parte Notice -- PR Docket 93-61

Dear Mr. Caton:

The enclosed colloquy occurred in connection with approval by the House Committee on Energy and Commerce of the Fiscal 1995 FCC Authorization Bill, H.R. 4522, on August 5, 1994. It should be associated with the record thus far compiled by the Commission in the above-reference proceeding.

A copy of this Notice was mailed to the Commission personnel specified below. In accordance with Section 1.1200 et seq. of the Commission's rules, one original and one copy of this Notice is being filed with the Commission.

Sincerely,

*Henry M. Rivera*  
Henry M. Rivera

HMR:lmc

Enclosure

cc: Chairman Reed Hundt  
Commissioner James Quello  
Commissioner Andrew Barrett  
Commissioner Susan Ness  
Commissioner Rachelle Chong  
Mr. Ralph Haller  
Mr. Tom Stanley

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Colloquy on Part 15 devices

Mr. Bliley: Mr. Chairman, I want to follow up on remarks that I made during the subcommittee hearing on this bill regarding an issue before the FCC that has the potential to dramatically degrade the quality of service to millions of utility customers.

In Docket 93-61, the FCC is considering whether to let a new type of licensed communications service called "Location and Monitoring Service" -- or "LMS" -- operate on the same frequency band as millions of low power transmitter devices already in operation.

I am concerned because LMS proponents are asking the FCC to give them the right to force these devices to quit operating if they cause interference to LMS operations. If there is interference and the incumbent devices have to shut down, consumers will lose a lot of money.

One type of low power transmitter that might have to shut down if the FCC takes this action is electronic meter readers, which are devices that dramatically improve service for utility customers. One utility with this advanced technology can read 3,000 meters per hour. By contrast, a traditional meter reader on foot reads just 400 meters per day.

This new technology lowers consumers' utility bills, eliminates the need for utilities to revisit homes several times before gaining access to meters, and erases the potential for criminals to impersonate meter readers in order to gain entry to homes.

Mr. Chairman, a recent article in the Washington Post shows the type of problem that can happen [describe the article].

Automatic meter reading devices have changed all that. Quality of service has gone up, complaints have gone down and customers now pay only for the energy they actually use -- no more estimated bills.

Mr. Chairman, millions of these devices have already been installed. One manufacturer alone has sold over 2.7 million of them to numerous electric and gas utilities across the nation. Utilities have invested millions of dollars of both ratepayer and investor money in these devices. If the FCC gives new LMS licensees a legal right to force this equipment to shut down if it interferes with LMS operations, the utilities' entire investment in this new technology will be in jeopardy -- and the consumer will be the biggest loser.

Mr. Wyden: If the gentleman will yield, I would like to associate myself with his remarks. I understand that Northwest Natural Gas Company in my home state of Oregon has begun installing these devices in customer businesses. Ultimately, the company plans to install as many as 450,000 electronic meter readers in customers' homes at a cost to ratepayers of \$20 million. Many of those transmitters may have to be shut down if the new LMS service is granted the legal rights that it wants.

The potential cost to consumers of this FCC decision goes way beyond utility customers, though. Numerous other everyday consumer devices are also Part 15 devices, such as advanced cordless phones, baby monitors, garage door openers and wireless home security alarm systems. As of 1993, more than six million Part 15 devices operated in this band, including 1.5 million cordless telephones, 300,000 wireless stereo speakers and 150,000 wireless home security alarm systems.

These devices require a significant consumer investment, and almost all of them have been sold in the past four years, which means that consumers have not had much chance to get full use out of their purchases. Moreover, an additional two million devices that operate in this band will be sold in 1994, including as many as 750,000 cordless phones.

At least 100 companies make Part 15 consumer electronic devices, and those companies have invested more than \$2 billion on R&D and marketing of their products. If the FCC allows the new LMS providers into this band and allows them to kick out existing users, much of that consumer and business investment will be lost.

Mr. Chairman, I hope that before the FCC makes any decision in Docket 93-61 it will carefully examine the potential consumer impacts of its action. I hope it will carefully examine the technical question of whether the existing users of these frequencies will interfere with the proposed LMS service, because if LMS is allowed to use that band, and if interference happens, there will be thousands and thousands of unhappy consumers who will be forced to throw out or dramatically modify products for which they paid good money.

I don't want to have to explain to my constituents why the FCC has taken an action that forces them in effect to throw good money down the drain.